



Crafting Transformation Agendas under Cost Pressure

Joe Rolewicz, Partner & Managing Director

October 2025

Healthcare transformation leaders are no strangers to financial pressure – but 2026 is shaping up to be particularly demanding. Persistent inflation, workforce shortages, regulatory updates, and payer reimbursement constraints continue to converge, creating a landscape where doing “more with less” is a necessity.

For Transformation Managers, the challenge remains clear: **how do you build resilience while sustaining growth and quality of care?**

Leaders of large-scale transformation initiatives at our provider and health system clients are reviewing their current transformation agendas against the levers below to ensure there is alignment between timelines, action plans, resource availability, and the strategic objectives and priorities for the coming year.

1. Reframe Cost Pressure as a Catalyst for Redesign

Traditional cost-cutting exercises often produce short-term savings but long-term friction. Instead, leading organizations are treating financial constraints as an opportunity to rethink the delivery model.

- **Shifting sites of care:** Expand ambulatory, ASC, and home health capacity to reduce inpatient costs.
- **Streamlining service lines:** Use data to identify underperforming areas and realign around core strengths.
- **Automating workflows:** Robotic process automation and AI to reduce administrative overhead without compromising quality.

2. Strengthen Value-Based Care & Risk Readiness

With more contracts tied to outcomes, efficiency must go hand in hand with value.

- Investing in **population health analytics** to identify high-cost, high-risk patients.
- Building care coordination programs that reduce readmissions and unnecessary utilization.
- Aligning physician incentives with quality and cost targets to ensure accountability across the continuum.

3. Optimize Workforce Strategy

Labor continues to be the largest expense category and the greatest source of operational vulnerability.

- Developing **flexible staffing models** to manage fluctuating demand.
- Expanding **telehealth and virtual care** to extend capacity without physical footprint expansion.
- Prioritizing staff retention through upskilling, well-being initiatives, and leadership pathways to reduce expensive turnover.

4. Scenario Planning & Resilience Playbooks

Resilience means being ready for volatility – whether from regulatory changes, payer rate cuts, or sudden workforce shortages.

- Building **financial models** that stress-test reimbursement cuts or cost escalations.
- Establishing **rapid response teams** to pivot quickly when external or unexpected changes occur.
- Maintaining a **balanced portfolio of investments** – technology, partnerships, facilities – to spread risk while positioning for long-term growth.

Key Takeaway

Cost pressures will remain a defining feature of the healthcare landscape in 2026. Organizations that thrive will be those that treat these challenges not as barriers but as opportunities to redesign care models, strengthen value-based care, and build operational resilience.

For transformation managers, resilience is not just about survival – it's about **crafting a strategy that positions the enterprise to lead, even under significant cost and operational pressures.**

To learn more about how we are coming alongside our provider and health system clients to prepare and optimize their 2026 priorities, visit us at www.sunstonemanagementadvisors.com.

About the Author



Joe Rolewicz is a Founding Partner of Sunstone Management Advisors, a growth advisory firm focused on helping healthcare and insurance companies identify and unlock their full enterprise value. With over 25 years of experience leading complex transformation initiatives for healthcare and insurance businesses, he leads our Transformation Consulting Practice, leveraging experiences gained from over 50 different clients as well as Senior Manager roles with national consulting practices. He is also the former SVP of Planning and Project Management for a national managed behavioral health organization. Joe received his Bachelor's of Business Administration in Finance from James Madison University and a Master's in Business Administration from Loyola University in Maryland. **Questions or comments?** Feel free to contact Joe directly at jrolewicz@sunstonemanagementadvisors.com or connect with him on LinkedIn at www.linkedin.com/in/josephmrolewicz